

Message Text

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PAGE 01 ROME 01066 212214Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02 CIEP-02

OMB-01 STR-04 L-03 /071 W

-----220552Z 003160 /15

R 211730Z JAN 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 2306

TREAS DEPT WASHDC

UNCLAS ROME 1066

E.O. 11652: N/A

TAGS: EFIN,IT

SUBJ: BANK PORTFOLIO CONSTRAINT REDUCED

1. ON JANUARY 20 THE INTERMINISTERIAL CREDIT COMMITTEE (CICR) REDUCED THE BANK COMPULSORY INVESTMENT IN LONGER-TERM SECURITIES REQUIREMENT FROM 42 TO 30 PERCENT OF NET INCREASE IN TOTAL BANK DEPOSITS. THE NEW PERCENTAGE APPLIES TO PERIOD DECEMBER 1, 1976 TO MAY 31, 1977 AND RESTORES THE PERCENTAGE IN EFFECT DURING THE FIRST HALF OF 1976.

2. THE PRACTICAL SIGNIFICANCE OF THE MOVE IS PROBABLY SMALL, GIVEN THE SEASONALITY FACTOR. DURING THE SIX MONTHS DECEMBER TO MAY, THE GROWTH OF BANK DEPOSITS IS USUALLY HIGHER THAN IN THE REMAINING MONTHS OF THE YEAR. THE LEVEL OF BANK INVESTMENT IN SECURITIES IS LIKELY TO REMAIN AT ROUGHLY THE SAME LEVEL, THEREFORE, IN SPITE OF THE REDUCTION IN THE PERCENTAGE. IN ADDITION, THE CURRENT LIQUID SITUATION OF BANKS COMBINED WITH THE QUANTITATIVE RESTRICTIONS OF BANK LENDING WOULD BE EXPECTED TO PROMPT A SPONTANEOUS FLOW OF BANK INVESTMENT IN THE SECURITIES IN QUESTION AS WELL AS IN SHORT-TERM TREASURY BILLS.

3. IN RENEWING AND REDUCING THE PORTFOLIO CONSTRAINT, CIVCR
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PAGE 02 ROME 01066 212214Z

ALSO PROVIDED FOR THE FLOW OF BANK INVESTMENT IN THE SECURITIES TO BE ISSUED BY THE POST OFFICE SAVINGS FUND (CASSA DD.PP.) IN CONNECTION WITH THE CONSOLIDATION OF LOCAL GOVERNMENT DEBT BY INCLUDING THEST IN THE COMPOSITION OF THE OBLIGATORY SECURITIES PORTFOLIO.VOLPE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, AMENDMENTS, BANKS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770023-1146
Format: TEL
From: ROME
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770129/aaaaazhg.tel
Line Count: 60
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Litigation History:
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Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3534808
Secure: OPEN
Status: NATIVE
Subject: BANK PORTFOLIO CONSTRAINT REDUCED
TAGS: EFIN, IT
To: STATE TRSY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/02d4b7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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